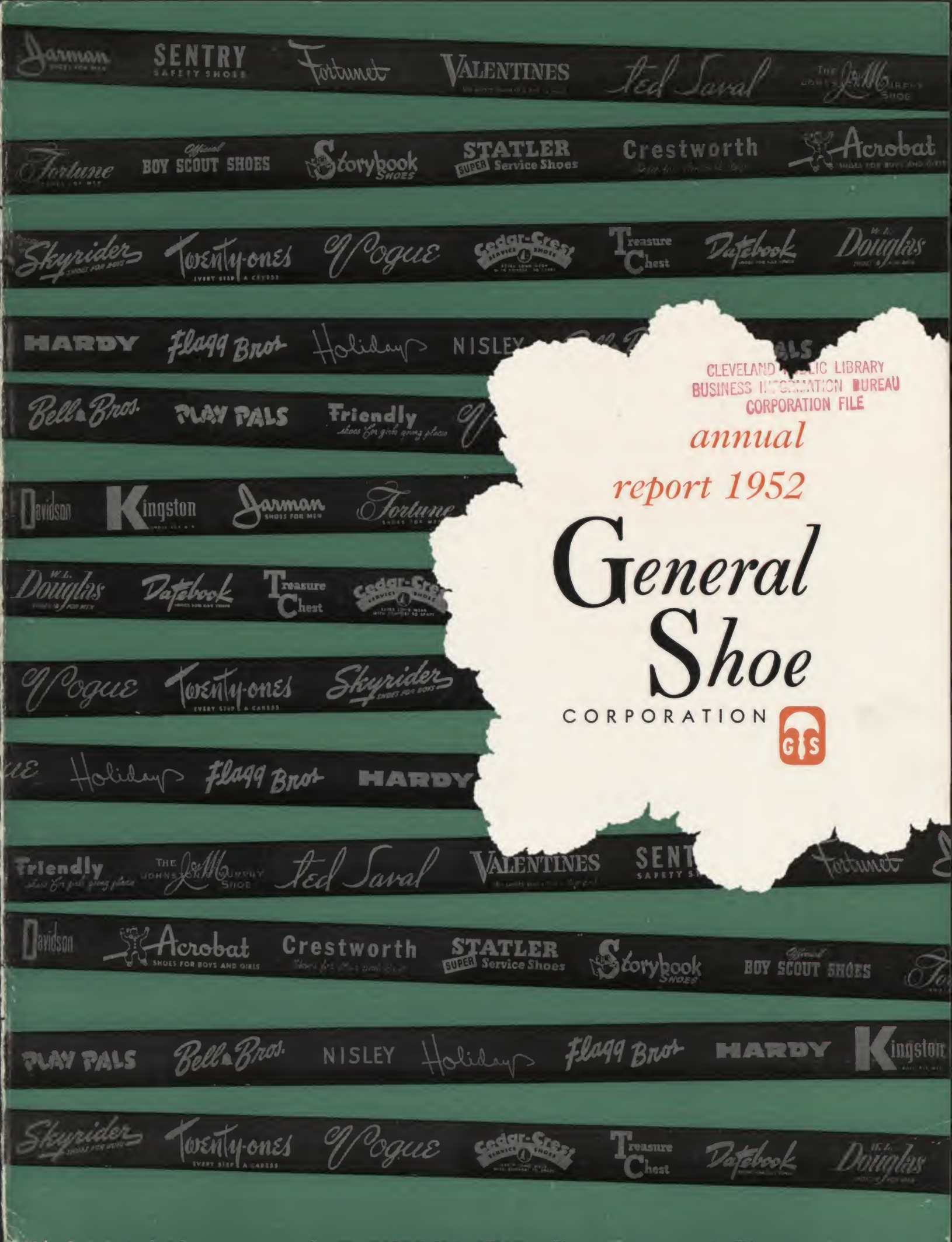


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*annual*

*report 1952*

# General Shoe

CORPORATION

# 28th Annual

# *Report* 1952

General Shoe Corporation
Nashville, Tennessee, U.S.A.

*LUNCH-TIME UNDER THE OAKS. A hot game of checkers on a cool, green lawn. And a pleasant stroll beyond the white-washed fence.*

*THIS ANNUAL REPORT tells about a company that is pretty much like this, whether you're visiting General Shoe home-towns in Tennessee, Kentucky, Alabama, Georgia or any of the nine states where we have plants.*

*At the left, the thirteen-story General Shoe headquarters building at Nashville.*

# 28 Years of General Shoe Growth

*highlighted for three minutes of reading*

**1924** Founded—as Jarman Shoe Company—August 5th, Nashville, Tenn.

**1926** Sell $1,000,000 worth of Jarman shoes.

**1928** Build 90,000 sq. ft. manufacturing plant.

**1929** Run first ad in Saturday Evening Post.

**1930** Open first company-operated retail shoe store.

**1932** Fight nation-wide depression, start second line of men's shoes. (Fortune)

**1933** For expansion, change name to General Shoe Corporation. Establish first branch plant.

**1934** Add a third manufacturing plant. Establish line of boys' shoes.

**1935** For growth, issue first offering of common stock, 10,000 shares. Add two new lines of men's shoes and a fourth plant.

**1936** Buy J. K. Orr Shoe Co., Atlanta. Open first Flagg Bros., men's shoe store.

**1937** Open fifth manufacturing plant as growth continues.

**1938** Start making women's shoes. Add a sixth one for men's shoes. Open first Hardy retail store for men's shoes.

**1939** Our common stock listed on New York and St. Louis Stock Exchanges. Acquire second plant for making women's shoes.

**1940** Erect a sole-cutting plant. Start one for making juvenile shoes.

**1941** Make military footwear for World War II.

**1942** First foreign operations—manufacturing shoes in Mexico City. Add eleven new retail stores. Start a division to manufacture store displays.

**1943** Organize division to make waxes and chemicals for shoe industry.

**1944** Purchase an upper-leather tannery in Michigan. Open first Holiday women's retail shoe store.

**1945** Reach our first 100 million pairs of shoes. Add 3 new plants to make work shoes, children's shoes, women's shoes. Lease 13-story headquarters office building.

**1946** Acquire shoe manufacturing plant in Lima, Peru. Open 2 new women's shoe plants.

**1947** Complete a 120,000 sq. ft. plant for cutting soles. Maxey Jarman becomes chairman and Henry W. Boyd, Jr., president of General Shoe.

**1948** Open another plant for men's dress shoes.

**1949** Our 25th anniversary. Associate with Israeli industrialists to start modern shoemaking plant in Jerusalem. Open another plant for children's shoes, and a new one for women's style shoes.

**1950** Acquire W. L. Douglas Shoe Company and its 64 retail stores.

**1951** Net sales pass $100 million mark. Acquire Johnston & Murphy Company of Newark, N. J.; Nisley Shoe Company with 46 women's retail shoe stores, and Innes Shoe Company of Los Angeles.

**1952** Acquire Ted Saval of California for women's casual shoes: Guarantee Shoe Company of San Antonio, Texas, and Kleven Shoe Sales Company of Spencer, Mass., (women's shoes.) Add plant to manufacture canvas shoes with vulcanized foam rubber soles for casual wear. Occupy additional new plant for women's shoes. Make 200 millionth pair of shoes.

# 1952
## Told in Brief . . .

| | Year Ended October 31 1952 | 1951 |
|---|---|---|
| Total Volume of Business | $129,184,661 | $128,284,627 |
| Net Sales Less Inter-Branch Business | 104,285,545 | 103,238,890 |
| Earnings Before Taxes | 6,597,503 | 6,524,939 |
| Taxes | 3,257,000 | 2,954,000 |
| Net Earnings | 3,340,503 | 3,570,939 |
| Earnings Per Share | 4.11 | 4.50 |
| Percent of Net Earnings to Net Sales | 3.20 | 3.46 |
| Dividends Per Share of Common Stock | 2.50 | 2.50 |
| Net Worth | 27,140,887 | 25,243,208 |

# General Shoe Corporation Report of Directors

## Another Record Year

The twelve months ended October 31, 1952, produced the largest net sales in the history of our Company, $104,285,546, exceeding last year by a small margin. Also the earnings of the Company before taxes were larger. Because taxes were at a much higher rate, net earnings after taxes were lower. They amounted to $4.11 per share of common stock.

This good year came about in spite of the fact that we had about ten million dollars less military shoe business this year than we had last year. Also, the average price per pair of shoes has been much lower this year than the previous year, which means that we have greatly increased our civilian pairage in order to make up for the two factors mentioned above. Lower prices of raw materials and shoes also meant that we absorbed a considerable amount of markdowns during the year. Operations were helped, however, by the acquisition of other companies that occurred during the year.

## Dividends

During the year we paid our eighty-first consecutive dividend on the common stock. The rate this year was $2.50. Dividends have been paid at this rate for the last six consecutive years. Dividends on the common stock have averaged about 62 per cent of the earnings available for common stock dividends during the past five years.

## New Acquisitions

During the past year our Company acquired Innes Shoe Company of Los Angeles, California. This concern operates a strong group of shoe stores and leased departments in that area. It is one of the best known shoe retailers in the United States, operating primarily family shoe stores carrying high grade shoes.

We also acquired the Guarantee Shoe Company in San Antonio, Texas, a very outstanding retail operation, and have added to this operation some additional suburban stores in the San Antonio area acquired from the Zimmerman Company.

Our Company also has expanded with some additional manufacturing facilities. We have purchased Ted Saval, Inc., of Los Angeles, California, a manufacturing concern producing very attractive women's casual and dress shoes. The Southern California influence on casual wear has become increasingly important. We feel that Ted Saval, Inc., in addition to giving us profitable volume in a new field, will at the same time be of material benefit in the fashion trend information that will be available to us.

Another manufacturing facility acquired was in Ripley, Mississippi. Foot-Caress Company, subsidiary of the W. B. Coon Company of Rochester, New York, in the last few years had established a manufacturing operation at Ripley, Mississippi. We have acquired the Foot-Caress subsidiary, have taken over the lease on the building, and are producing shoes in this plant. It will produce low heel, casual footwear for women. These shoes are in the economy field, for which there is a very large market.

These new acquisitions were made by a combination of cash and common stock. At the end of the year there were 766,530 shares of common stock outstanding, an increase of 17,267 over a year ago.

Arrangements have been made with Kleven Shoe Sales Company in Spencer, Massachusetts, to acquire all the capital stock of that company. This transaction is not included in the balance sheet of this report because it was not completed until after the close of our fiscal year. The Kleven Company manufactures women's dress shoes in the medium price field. It has been very successful from the standpoint of volume and profits for many years. It will continue to operate as a separate, integrated unit, and will be a wholly-owned subsidiary of our Company.

This gives us added strength in the women's field, which is becoming more and more important from year to year. Our own stores have been using a large quantity of shoes made in the Kleven plant, and will continue to do so.

Total volume included in this year's operation of these newly acquired Companies—Innes Shoe Company, Guarantee Shoe Company, Ted Saval, Inc.—amounted to $3,539,901. Shoes manufactured in the Foot-Caress plant at Ripley, Mississippi, were not shipped until after the end of our fiscal year. Likewise, none of the Kleven operations are included in our business until after the first of November.

## $129,184,661 of Business... *How Expended*

| | | |
|---|---|---|
| **Total volume of business** | $129,184,661 | |
| Less value of products made in one division for use in another division | 24,899,116 | |
| Value of products sold to customers | $104,285,545 | 100.0 |
| **This amount was used as follows:** | | |
| Cost of leather, other materials, products and services from outside suppliers | 64,304,568 | 61.7 |
| Wages of employees | 29,732,797 | 28.5 |
| Discounts and allowances to customers | 967,185 | .9 |
| Wear allowance on machinery, equipment and buildings | 984,417 | .9 |
| Taxes paid | 4,573,169 | 4.4 |
| Interest paid on borrowed money | 382,906 | .4 |
| Expense of capital used—dividends | 2,106,195 | 2.0 |
| Additional equipment purchased | 64,159 | .1 |
| Balance to pay off debt and for growth | 1,170,149 | 1.1 |
| | $104,285,545 | 100.0 |
| Amount of earnings as a per cent of volume | 2.59% | |
| Amount earned per share of common stock | $ 4.11 | |

During the year we disposed of our division producing women's handbags, the Marman Bag Company. This was sold to a group of individuals who had been active in the management of this division.

## Manufacturing Developments

As pointed out in last year's report, we have entered the field of manufacturing vulcanized footwear. Most of these shoes are made with canvas uppers and sponge rubber vulcanized soles, although some of them are produced with leather uppers. This operation has proved to be very popular with our customers, and has been growing in a gratifying way.

We also moved into our new plant at Danville, Kentucky, a plant that is increasing production and operating on a good basis.

During the past year, we manufactured our two hundred millionth pair of shoes since our Company was established in 1924.

## New Business Development

During the past year, we started a group of family shoe stores operating under the name Bell Bros. There are twelve of these stores now in operation or about to open. This new development is proving even more successful than we had anticipated. We are now operating more than 300 retail shoe stores of various types.

An increasing volume of business is developing from our Friendly Franchise accounts. These are independent retailers who are concentrating their purchases on lines manufactured by our Company. We have a special group of men working with these franchise units in their merchandise control, promotion and general retail operation.

Several additional shoe manufacturing companies in foreign countries have taken on our engineering and fashion service and are acting as General Shoe brand name licensees.

## More Growth Ahead

Our Company, in its development and acquisition of other companies, has been moving in the direction of a complete, well-rounded operation, covering all the important areas of the shoe industry. This will make possible a more complete and better service to the consumer and distributor. It means additional volume and earnings from the new acquisitions that are being made, plus the development in other operating divisions of our Company.

Shoe prices are on a relatively low basis. The public is recognizing and responding to the good values offered in shoes. The entire industry is back of a new seasonal opening program which will begin the first week in March. It will be called "The New in Shoes". Watch for it in your community.

Our Quality Control program, which our manufacturing division has had in effect for several years, is paying off, as evidenced by an increasing number of compliments received from our customers throughout the land.

Our Methods Improvement Program, plus our incentive system, and the fine cooperation of our people, have continued to develop improved productivity, which we believe continues to keep us out in front of the industry. Because of this, our employees have had average earnings higher than the industry, and have also had steadier work. Our Guaranteed Employment Plan has given additional security to our employees. Because of good planning, it has not added to our costs. We also have a retirement plan for employees, and many other benefits.

The effective way in which our organization is growing and working together speaks well for continued growth development during the coming year.

During the past year, DeVaughn Woods, our company auditor, was elected to membership on the board of directors.

Our preliminary forecast for the coming year indicates an increased volume and increased earnings, based upon our best evaluation of the factors as we see them.

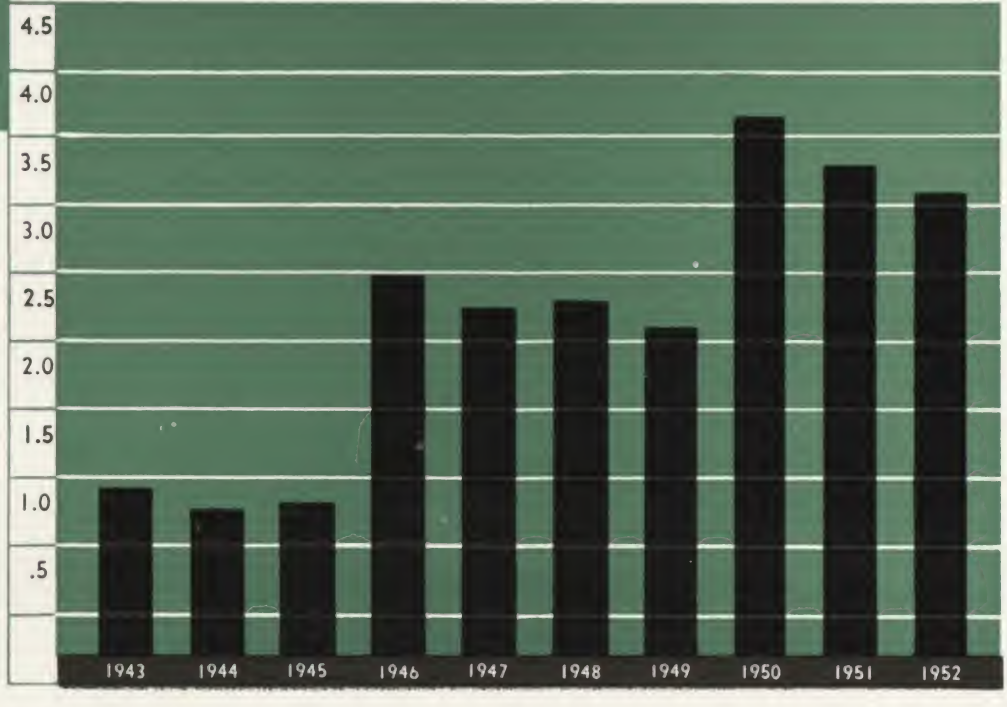
*Chairman*

*President*

FOR THE BOARD OF DIRECTORS

## EARNINGS After Income Taxes

In Millions of Dollars



# General Shoe Corporation

## Consolidated Balance Sheet

| | As of October 31 1952 | 1951 |
|---|---|---|
| **Assets** | | |
| Current Assets: | | |
| Cash | $ 5,815,120 | $ 8,138,086 |
| Accounts receivable, less provision for bad debts and discounts | 9,799,797 | 9,587,509 |
| Inventories at lower of approximate average cost or market: | | |
| Finished products and work in process | 12,948,983 | 10,176,679 |
| Raw materials and special merchandise | 6,345,557 | 6,531,467 |
| | 19,294,540 | 16,708,146 |
| | 34,909,457 | 34,433,741 |
| Investments at cost, less reserve | 833,935 | 231,046 |
| Officers' and Employees' Stock Purchase Accounts, secured | 1,116,995 | 569,482 |
| Plant, Equipment, and Leasehold Improvements, at cost | 9,884,285 | 9,335,605 |
| Less Depreciation and Amortization | 4,106,696 | 3,959,509 |
| | 5,777,589 | 5,376,096 |
| Goodwill, Patents, and Trade Marks | 1 | 1 |
| Deferred Charges to Future Operations | 110.852 | 149,909 |
| | $42,748,829 | $ 40,760,275 |
| **Liabilities** | | |
| Current Liabilities: | | |
| Accounts payable and accrued expenses | $ 2,094,942 | $ 1,851,291 |
| Provision for taxes on income | 3,513,000 | 3,473,000 |
| | 5,607,942 | 5,324,291 |
| 2.9% Promissory Notes, payable from May 1, 1954 (maximum annual installments $700,000) | 10,000,000 | 10,000,000 |
| Reserve for Contingencies and Self-Insured Risks | — | 192,776 |
| Stockholders Equity, restricted except as to $6,882,412 in 1952, $4,994,049 in 1951: | | |
| $3.50 cumulative preference stock without par value. Authorized 50,000 shares, outstanding 43,205 shares in 1952 and 44,327 shares in 1951 | 4,320,500 | 4,432,700 |
| Preferred stock without par value callable at $7.50 per share (40c per annum cumulative). Authorized and outstanding 99,260 shares | 496,300 | 496,300 |
| Common stock, par value $1 per share. Authorized 1,200,000 shares; outstanding (less 8672 and 1418 shares in treasury) 766,530 shares in 1952 and 749,263 shares in 1951 | 766,530 | 749,263 |
| Additional paid-in capital | 8,838,777 | 8,230,473 |
| Earnings retained in business | 12,718,780 | 11,334,472 |
| | 27,140,887 | 25,243,208 |
| | $ 42,748,829 | $ 40,760,275 |

# and Consolidated Subsidiaries

## Statement of Consolidated Earnings . . . . . .

*(Including operations since date of acquisition of subsidiaries acquired during year.)*

| | Years Ended October 31 1952 | 1951 |
|---|---|---|
| Net Sales | $104,285,546 | $103,238,890 |
| Other income | 953,080 | 1,426,778 |
| | 105,238,626 | 104,665,668 |
| Cost of sales, selling, administrative, and general expenses (depreciation, amortization, lasts, dies, and patterns $1,630,415 in 1952 and $1,470,105 in 1951) | 97,308,969 | 96,791,174 |
| Contribution to employees retirement fund | 54,832 | 113,923 |
| Interest paid on promissory notes | 290,000 | 290,000 |
| Other charges | 987,322 | 945,632 |
| Provision for taxes on income | 3,257,000 | 2,954,000 |
| | 101,898,123 | 101,094,729 |
| Net Earnings for Year | $ 3,340,503 | $ 3,570,939 |

## Statement of Consolidated Additional Paid-In Capital

| | | |
|---|---|---|
| Amount at beginning of year | $ 8,230,473 | $ 7,635,454 |
| Amount realized through sale and purchase of preference and common shares—net | 608,304 | 594,362 |
| Amount arising through acquisition of W. L. Douglas Shoe Company | — | 657 |
| Amount at end of year | $ 8,838,777 | $ 8,230,473 |

## Statement of Consolidated Earnings Retained In Business

| | | |
|---|---|---|
| Amount at beginning of year | $ 11,334,472 | $ 9,823,543 |
| Net earnings for year | 3,340,503 | 3,570,939 |
| Reserve for contingencies restored | 150,000 | — |
| | 14,824,975 | 13,394,482 |
| Dividends: | | |
| Preference stock | 152,919 | 156,789 |
| Preferred stock | 39,704 | 39,704 |
| Common stock | 1.913,572 | 1,863,517 |
| | 2,106,195 | 2,060,010 |
| Amount at end of year | $ 12,718,780 | $ 11,334,472 |

# Accountants' Report

*To the Board of Directors, General Shoe Corporation, Nashville, Tennessee:*

We have examined the consolidated balance sheet of General Shoe Corporation and its consolidated subsidiaries as of October 31, 1952 and the related statements of earnings, additional paid-in capital, and earnings retained in business for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

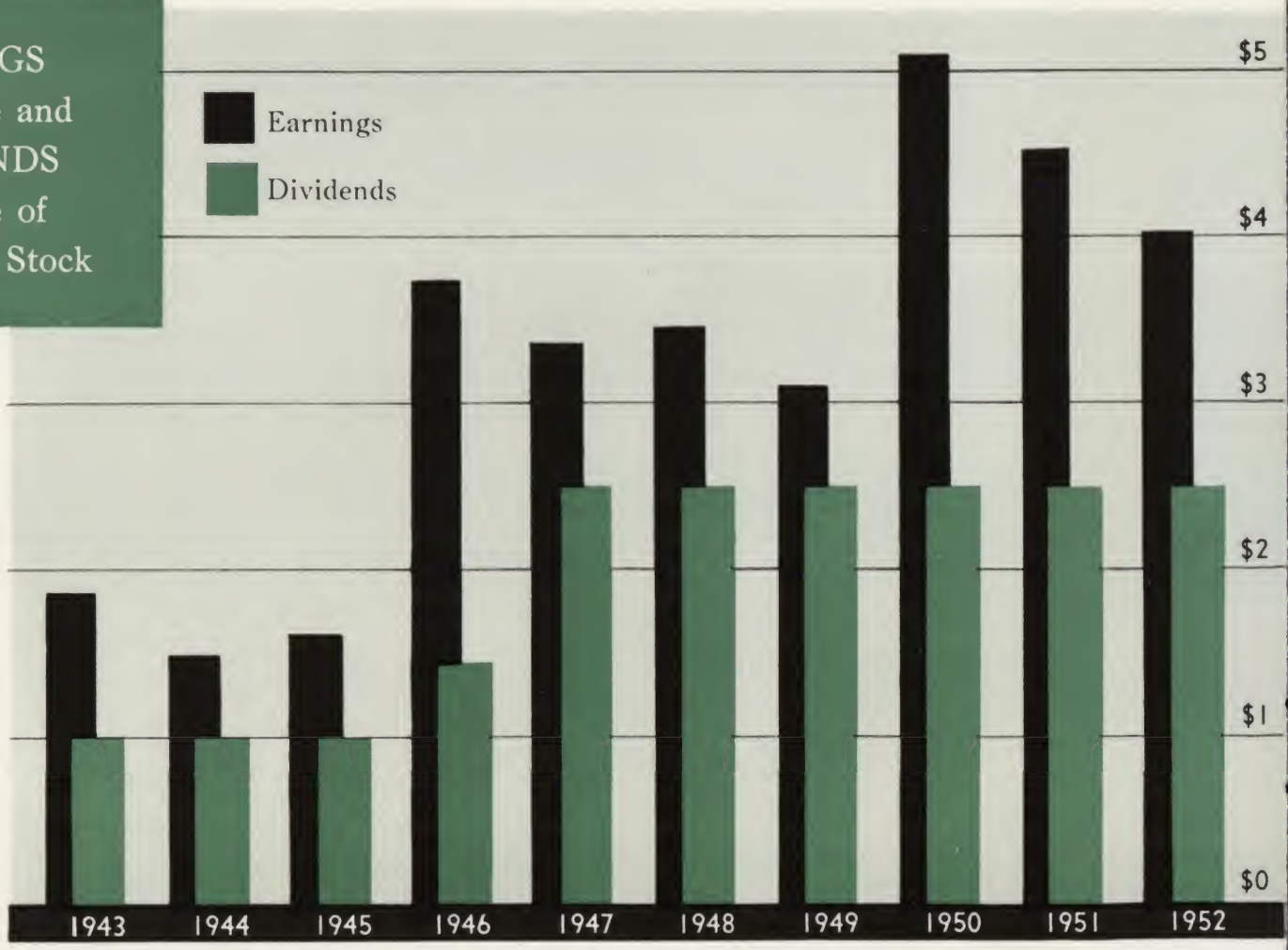
The companies operate at various locations under long term leases, the major portion of which expire successively to 1965. Minimum annual rentals on leases expiring after October 31, 1957 aggregate $1,967,287.

In our opinion, the accompanying balance sheet and statements of earnings, additional paid-in capital, and earnings retained in business with the foregoing explanation present fairly the financial position of General Shoe Corporation and its consolidated subsidiaries at October 31, 1952, and the results of their operations for the year then ended, including operations since date of acquisition of subsidiaries acquired during the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co.
CERTIFIED PUBLIC ACCOUNTANTS

St. Louis, Missouri November 25, 1952

## EARNINGS per Share and DIVIDENDS per Share of Common Stock



# 15 Year Comparison of Operations

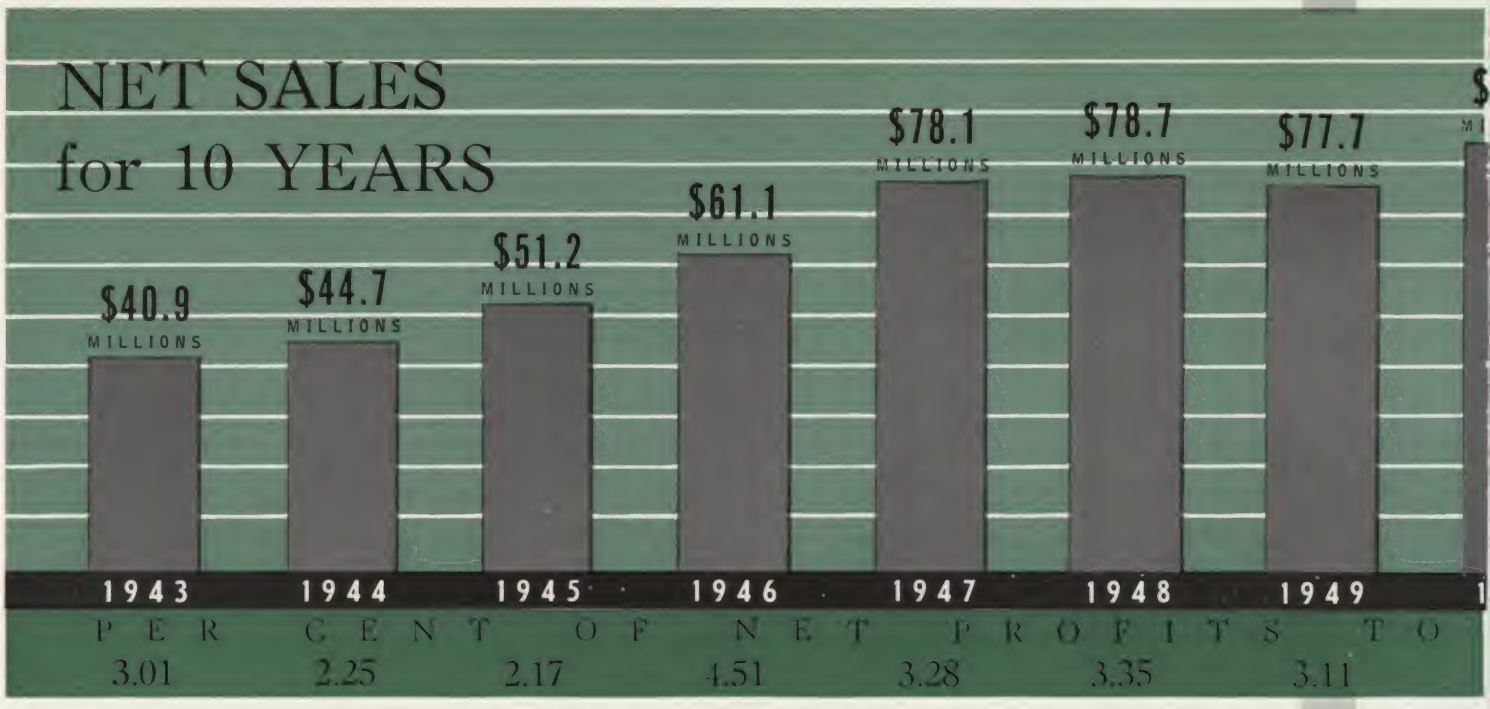
| | Total Volume of Business | Net Sales Less Inter-Branch Business | Income Taxes | Net Earnings | Per Cent of Net Earnings to Net Sales | Earnings Per Share Common Stock | Dividends Per Share Common Stock |
|---|---|---|---|---|---|---|---|
| **1938** | $ 15,039,954 | $ 13,257,663 | $ 99,200 | $ 647,670 | 4.89 | $1.27 | $0.85 |
| **1939** | 18,252,215 | 16,581,537 | 215,500 | 927,194 | 5.59 | 1.41 | 1.05 |
| **1940** | 20,063,446 | 17,462,085 | 159,300 | 752,317 | 4.31 | 1.14 | 1.00 |
| **1941** | 28,703,862 | 23,729,198 | 509,700 | 1,064,151 | 4.48 | 1.63 | 0.90 |
| **1942** | 39,949,226 | 33,738,749 | 2,148,400 | 1,023,373 | 3.03 | 1.57 | 1.00 |
| **1943** | 48,990,794 | 40,886,381 | 2,936,700 | 1,229,136 | 3.01 | 1.90 | 1.00 |
| **1944** | 53,474,786 | 44,716,808 | 3,002,650 | 1,007,411 | 2.25 | 1.54 | 1.00 |
| **1945** | 61,122,583 | 51,177,677 | 3,174,200 | 1,110,749 | 2.17 | 1.71 | 1.00 |
| **1946** | 75,367,861 | 61,133,798 | 2,207,123 | 2,755,372 | 4.51 | 3.76 | 1.60 |
| **1947** | 97,248,511 | 78,142,458 | 1,937,792 | 2,566,500 | 3.28 | 3.34 | 2.50 |
| **1948** | 99,580,268 | 78,682,562 | 1,544,689 | 2,639,762 | 3.35 | 3.45 | 2.50 |
| **1949** | 96,066,589 | 77,694,162 | 1,521,000 | 2,416,379 | 3.11 | 3.14 | 2.50 |
| **1950** | 105,314,604 | 84,441,016 | 2,377,000 | 3,896,715 | 4.61 | 5.04 | 2.50 |
| **1951** | 128,284,627 | 103,238,890 | 2,954,000 | 3,570,939 | 3.46 | 4.50 | 2.50 |
| **1952** | 129,184,661 | 104,285,545 | 3,257,000 | 3,340,503 | 3.20 | 4.11 | 2.50 |

| | Book Value Per Share Common Stock | Outstanding Shares Common Stock | Depreciation and Amortization | Earnings Reinvested in Business Development | Current Assets | Current Liabilities | Net Worth |
|---|---|---|---|---|---|---|---|
| **1938** | $ 9.16 | $479,388 | $ 188,627 | $ 203,673 | $ 4,288,272 | $ 466,905 | $ 4,887,024 |
| **1939** | 10.60 | 628,013 | 217,986 | 266,137 | 6,468,624 | 510,000 | 7,154,253 |
| **1940** | 10.75 | 627,716 | 267,263 | 84,337 | 6,592,176 | 450,691 | 7,243,137 |
| **1941** | 11.49 | 626,671 | 326,508 | 460,270 | 7,380,109 | 880,885 | 7,693,942 |
| **1942** | 12.05 | 627,173 | 561,695 | 356,614 | 10,281,900 | 876,851 | 8,054,660 |
| **1943** | 12.95 | 627,391 | 308,735 | 562,039 | 10,654,807 | 973,238 | 8,618,858 |
| **1944** | 13.46 | 627,391 | 348,333 | 340,315 | 10,570,155 | 1,073,386 | 8,939,322 |
| **1945** | 14.16 | 627,391 | 401,921 | 443,654 | 14,363,699 | 1,485,880 | 9,382,976 |
| **1946** | 18.74 | 704,321 | 547,675 | 1,560,922 | 17,723,628 | 1,309,947 | 18,692,768 |
| **1947** | 19.62 | 704,918 | 883,900 | 593,235 | 18,146,404 | 2,143,718 | 19,225,654 |
| **1948** | 20.61 | 705,132 | 1,146,767 | 669,562 | 24,580,470 | 1,847,178 | 19,749,974 |
| **1949** | 21.27 | 705,409 | 1,016,788 | 448,858 | 25,413,805 | 2,694,871 | 20,155,651 |
| **1950** | 24.79 | 733,790 | 1,253,112 | 1,918,216 | 29,501,823 | 4,268,950 | 23,233,487 |
| **1951** | 27.11 | 749,263 | 1,470,105 | 1,510,929 | 34,433,741 | 5,324,291 | 25,243,208 |
| **1952** | 29.12 | 766,530 | 1,630,415 | 1,234,308 | 34,909,457 | 5,607,942 | 27,140,887 |

# Sales *and* Distribution

## *Sales Divisions and Subsidiaries*

CEDAR-CREST SHOE COMPANY • DOMINION SHOE COMPANY • W. L. DOUGLAS SHOE COMPANY • EDGEWOOD-STORYBOOK SHOE COMPANY • FAMILY SHOE SUPPLY COMPANY • FORTUNET SHOE COMPANY • FRIENDLY-ACROBAT SHOE COMPANY • JARMAN SHOE COMPANY • JOHNSTON & MURPHY COMPANY KLEVEN SHOE SALES CO., INC. • REPUBLIC SHOE COMPANY • RICHLAND-DAVIDSON SHOE COMPANY • TED SAVAL • VALENTINE SHOE COMPANY •



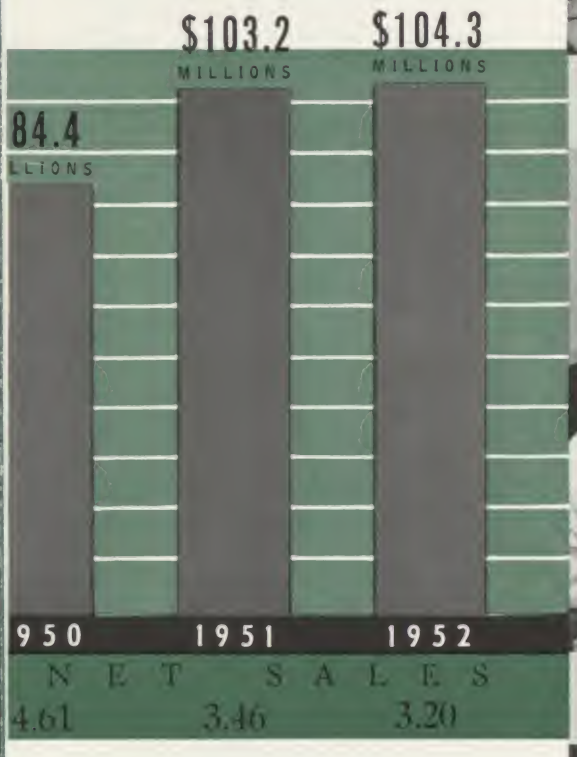

General Shoe sells men's, women's and children's shoes to about 15,000 independent retail dealers, department stores and other outlets through these 14 separate sales divisions and subsidiaries.

Each sales division has its distinct brands and types of shoes. Each has completely separate personnel . . . salesmen, sales executives and territories. Most of our shoes are in the medium price range, but our Johnston & Murphy men's shoes sell up to $75 a pair.

The result of such specialization is increased benefits to our customers, in quality, efficiency, price and service.

Although most of our customers are the independent shoe retailers, some of our most important customers are the country's biggest chain store and mail order companies. We manufacture shoes to their specifications and the shoes are sold under brand names given them by the chain store and mail order concerns.

More than 125 stores in 28 states now carry exclusively the shoes made by our company through our Friendly Franchise Store Plan.



AT THE SHOE FAIR. A thoroughly typical scene in which General Shoe sales and distribution men meet customers all over the country, and present our lines.

DISTRIBUTION MEN. It is always a shirt-sleeves affair, of solving problems of sales and distribution, when these top men of the division meet weekly with Vice-president Matt Wigginton.

NEW PROBLEMS TO SOLVE. That's the assignment given to our Sales Development Council. It is composed of selected men from sales, manufacturing and styling.

# Some Widely Known General Shoe Brands

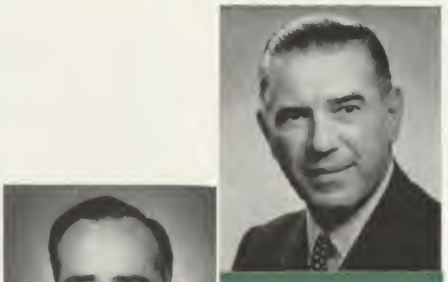
# Some General Shoe Salesmen With Outstanding 1952 Records

General Shoe's specialized sales plan shows its effectiveness through the records of its fine salesmen.

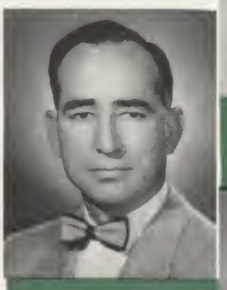
At the outset of the year these nine divisions announced to all salesmen that all 1952 leaders would be presented through our Annual Report.

We are proud to introduce these "honor men" who played such distinguished parts in producing our all-time record for sales volume.

CEDAR-CREST SALESMEN—Some of America's biggest-name hill-billy stars sell our work-shoes, on this network jamboree show. It originates in WSM, Nashville.



S. M. Thompson
FORTUNET

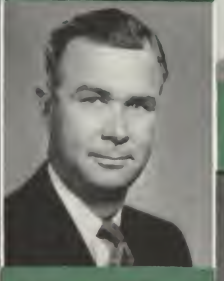


Norman O. Morgan
CEDAR-CREST

J. Ralph Burton
FRIENDLY-ACROBAT

Frank C. Whitman
DOUGLAS

Harry J. Bandy
JARMAN



Wallace J. Vincent
EDGEWOOD-STORYBOOK

Lloyd Purdy
RICHLAND-DAVIDSON

H. B. Simmons
FAMILY SHOE SUPPLY CO.

Carroll E. Renner
VALENTINE

# ADVERTISING. *Magazine—Radio*

Since 1929 when we ran our first ad in the Saturday Evening Post, General Shoe has been a leader of national advertising among shoe manufacturers.

We reach millions of customers through The Post, and through such other magazines as Life, Esquire, Holiday, Sport, Look, Popular Mechanics, Front Page Detective, Inside Detective, Outdoor Life, Argosy, True, Harper's Bazaar, Seventeen, Ladies' Home Journal.

Thousands of dealers also advertise our brands in local newspaper advertising across the country.

Radio likewise plays a big part in shoe sales. A colorful example of using this medium is the hill-billy network show photographed on this page.

THIS POLICY COMMITTEE directs the operations of 300 retail shoe stores. Man in background center, with speckled tie, is William M. Blackie, chief executive of these store operations. Around the table with him are, clockwise, P. C. Runyon, family stores; W. C. Shaw, personnel; Earl Britain, real estate; F. M. Weisiger, men's stores; G. O. Petway, accounting; W. I. Maclay, advertising; B. P. Weisiger, women's stores; S. L. Slaymaker, business analyst, and J. R. McCollum, executive vice-president.

# General Retail Store Operations

An important part of General Shoe's distribution is through the retail stores shown on these two pages. They form seven groups: Jarman, Flagg Bros., Douglas and Hardy stores, selling different grades and styles of men's shoes; Holiday and Nisley, for women's shoes, and a new chain, Bell Brothers, added in 1952, to serve the entire family.

These stores are located primarily in metropolitan areas. They typify General Shoes's policy of specialization. Each store group has separate lines and prices of shoes and separate management.

Women's Stores

# Retail Store Locations

## Men's Stores

### NISLEY
*(Women's medium-price shoes)*

Akron
Atlanta
Baltimore
Birmingham
Canton, Ohio
Charleston, W. Va.
Charlotte
Chicago
Cincinnati
Cleveland (2)
Columbus, Ohio
Erie, Pa.
Evanston, Ill.
Highland Park, Mich.
Hollywood
Huntington, W. Va.
Indianapolis
Lexington, Ky.
Long Beach
Louisville
Memphis
Niagara Falls
Omaha
Peoria
Pittsburgh
Roanoke
Rochester
San Antonio
San Diego
Santa Monica
South Bend
Toledo
Troy, N. Y.
Utica, N Y.
Washington, D. C.
Wilmington, Del.
Youngstown, Ohio

### HOLIDAY
*(Women's style shoes)*

Atlanta
Baltimore
Baton Rouge
Birmingham
Chattanooga
Chicago
Cincinnati
Cleveland
Columbus, Ohio
Dallas
Dayton
Detroit
Denver
Fort Wayne
Fort Worth
Grand Rapids
Jacksonville
Kansas City, Mo.
Lincoln, Neb.
Louisville
Memphis
Nashville
Oklahoma City
Springfield, Ill.
Washington, D. C.

### BELL BROS.
*(Family shoe stores)*

Anniston, Ala.
Decatur, Ill.
Detroit (2)
Gadsden, Ala.
Little Rock
Pontiac, Mich.
Rockford, Ill.
Rome, Ga.
South Bend
Warren, Ohio

### FLAGG BROS.
*(Young men's shoes)*

Akron
Atlanta
Baltimore
Birmingham
Boston (2)
Buffalo
Bridgeport
Brooklyn (4)
Charleston, W. Va.
Chattanooga
Chicago (6)
Cincinnati
Cleveland (2)
Columbus
Dallas
Dayton
Detroit (3)
Duluth, Minn.
Elizabeth, N. J.
Flint, Mich.
Grand Rapids
Hackensack, N. J.
Harrisburg, Pa.
Hartford
Hempstead, L. I., N. Y.
Highland Park, Mich.
Houston
Huntington Park, Cal.
Indianapolis
Jamaica, N. Y.
Jersey City
Kansas City, Mo.
Long Beach
Los Angeles (2)
Louisville
Memphis
Milwaukee
Minneapolis (2)
Nashville
Newark (2)
New Haven, Conn.
New York (7)
Oak Park, Ill.
Pasadena
Passaic, N. J.
Paterson, N. J.
Peoria, Ill.
Philadelphia (6)
Pittsburgh
Reading, Pa.
Rochester
Salt Lake City
Sioux City
St. Louis (2)
St. Paul
Syracuse
Toledo
Trenton, N. J.
Tulsa
Upper Darby, Pa.
Washington, D. C. (2)
Wilkes Barre, Pa.
Wilmington, Del.

### HARDY
*(Men's thrift-price shoes)*

Asheville, N. C.
Atlanta (2)
Baltimore
Beaumont
Birmingham
Buffalo
Camden
Chattanooga
Chicago (3)
Cincinnati
Cleveland
Columbus, Ohio
Corpus Christi
Dallas (3)
Dayton
Detroit (4)
Evansville
Fort Wayne
Fort Worth
Greensboro
Hamtramck, Mich.
Highland Park, Mich.
Houston
Jackson, Miss.
Knoxville
Little Rock
Long Beach
Los Angeles (3)
Louisville
Memphis
Miami
Milwaukee
Minneapolis
Mobile
Nashville
Newark
New Orleans
New York
Norfolk
Philadelphia (2)
Pittsburgh
Port Arthur
Richmond
Roanoke
San Antonio
San Francisco
Savannah
Shreveport
St. Louis (2)
Upper Darby
Washington, D. C.
Wheeling, W. Va.
Winston-Salem

### DOUGLAS
*(Men's medium-price shoes)*

Akron
Albany
Atlanta
Birmingham
Boston
Chicago
Cincinnati
Dallas
Dayton
Dearborn, Mich.
Detroit (2)
E. St. Louis, Ill.
Fort Worth
Hartford
Houston
Jamaica, N. Y.
Kansas City, Mo. (2)
Louisville
Nashville
Newark
New Haven
New Orleans
New York
Pawtucket, R. I.
Paterson, N. J.
Philadelphia
Pittsburgh (2)
Portland, Maine
San Antonio
Toledo
Washington, D. C.
W. New York, N. J.
Worcester, Mass.
Yonkers, N. Y.

### JARMAN
*(Men's shoes)*

Atlanta
Birmingham
Boston
Chicago (4)
Cincinnati
Cleveland
Columbus
Dallas
Detroit
Kansas City, Mo.
Long Beach
Los Angeles
Louisville
Memphis
Milwaukee
Minneapolis
Nashville
Norfolk
Philadelphia
San Francisco
St. Louis
Tulsa

# MANUFACTURING

## *Now 30 Plants in 9 States*

Ted Saval plant in Los Angeles.
It produces 500 to 600 pairs daily.

## Manufacturing in California

General Shoe's importance in the women's shoe field was increased by acquiring the Ted Saval organization in Los Angeles. This company pioneered in developing the California type of high-fashion slip-last shoes. (Model wears a pair.) They retail at $14.95.

## Making Women's Shoes in Massachusetts

This plant of the Kleven Shoe Sales Company, Inc., Spencer, Massachusetts, was joined to our production and distribution facilities this year. The Kleven Company makes women's novelty shoes to retail from $7 to $9 per pair. The plant produces about 4,500 pairs daily.

Newly-acquired plant in Ripley, Miss., to make women's slip-last shoes at popular prices. It has 40,000 square feet of space.

*General Shoe Growth* is reflected in the growth of plants now required to produce shoes for our customers.

In 1924 we started making men's shoes, in one small plant. By 1940—for men's, women's and children's shoes—nine plants were in production. This year—for shoe production that reached an all-time high—30 plants were needed.

Four of these were new acquisitions, and each was for making women's shoes—a market in which General Shoe is experiencing strong growth year after year. These four new sources of production and distribution were: Purchase of the Ted Saval organization in Los Angeles, founders of California casuals; the Kleven Shoe Sales Co., Inc., of Spencer, Mass., makers of women's novelty shoes; the Foot-Caress Shoe Company in Ripley, Miss., to make women's slip-last shoes. Also, we replaced our small plant in Danville, Ky., with a fine new one to make women's style shoes.

***Men's and Boys' Shoes*** Plants making these shoes are located in Nashville, Gallatin (2), Tullahoma, Pulaski, Lewisburg and Waynesboro—all in Tennessee; and in Huntsville, Ala.; Atlanta, Ga.; and in Newark, New Jersey.

***Women's Shoes*** These plants are located in Los Angeles, Calif.; Spencer, Mass.; Ripley, Miss.; in Nashville, McMinnville and Cowan, Tennessee; in Lawrenceville, Ga.; and in Frankfort and Danville, Ky.

***Children's Shoes*** These are made in Carrollton, Ga.; and in Camden, Centerville and Hohenwald, Tenn.

This fine new plant was opened in Danville, Ky., this year to make women's style shoes. It replaces a smaller "pilot" plant.

# Other Manufactured Products

•

## *Some for Our Use, Some for Others*

Most of the products told about on these two pages are manufactured and sold through General Shoe's Supply Division. Display manufacturing is a part of our General Retail Corporation.

**Tannery** At Whitehall, Michigan, we operate a tannery. It supplies some of the upper leather used in our shoes.

**Cut Soles** To put more value in our shoes, we cut practically all of the leather soles and many of the synthetics used in our shoes. This is in our Southern Sole Co., plant.

**Shoe Boxes** Most of the shoe boxes and cartons used in our business are made by us. We have one plant in Nashville, another in Tullahoma, Tenn.

**Displays** Our General Products Company manufactures displays and fixtures for all our retail shoe stores and for many others.

**Heels** We cover and finish all the heels required for our women's shoes, in our Centennial Heel Company.

**Waxes** General Wax Industries is a subsidiary making polishes, stains, cements and chemicals.

**Canvas Casuals** These men's, women's and children's canvas casuals with vulcanized foam rubber soles are enjoying great popularity.

**More Capacity** A larger plant to manufacture men's, women's and children's canvas shoes with vulcanized foam rubber soles.

**Processing Terminal** 181,000 square feet of space at Fayetteville, Tenn., for housing raw materials and finished shoes. It is centrally located to serve our many plants.

# Operations and Associations Abroad...

LORD ALEXANDER, former governor-general of Canada, and World War II commander of all Allied forces in North Africa and Italy, inspects the Fitting Room of The John Ritchie Company, our Canadian affiliate in Quebec. With him is Lady Alexander, and at extreme right, H. H. Gibaut, Ritchie's president.

## In Canada

In three foreign countries, we are associated in the ownership and operation of shoe manufacturing concerns. These are:

LIMA, Peru—Fabrica Nacional de Calzado "El Triunfo," S. A.

MEXICO CITY, Mexico—Fabrica de Zapatos Eclipse, S. A. de C. V.

JERUSALEM, Israel—The Jerusalem Shoe Corporation, Limited.

In several other foreign countries, we are affiliated with prominent manufacturers and distributors who make and sell certain of our branded shoes under licenses. These are:

QUEBEC, Canada—The John Ritchie Company, Limited.

NORTHAMPTON, England—George Webb and Sons, Limited.

VIENNA, Austria—Schuhfabrik Wilhelm Guiard and Company.

AUCKLAND, New Zealand—Gadabouts, Limited.

WERMELSKIRCHEN, Germany—Adolf Floering Schuhfabrik, G.M.B.H.

TOKYO, Japan—Chiyoda Shoe Manufacturing Company, Limited.

MELBOURNE, Australia—Paddle Brothers. Also Linley Investments Pty., Limited.

WAALWIJK, Holland—Timtur Schoenfabriek. (For style and technical service.)

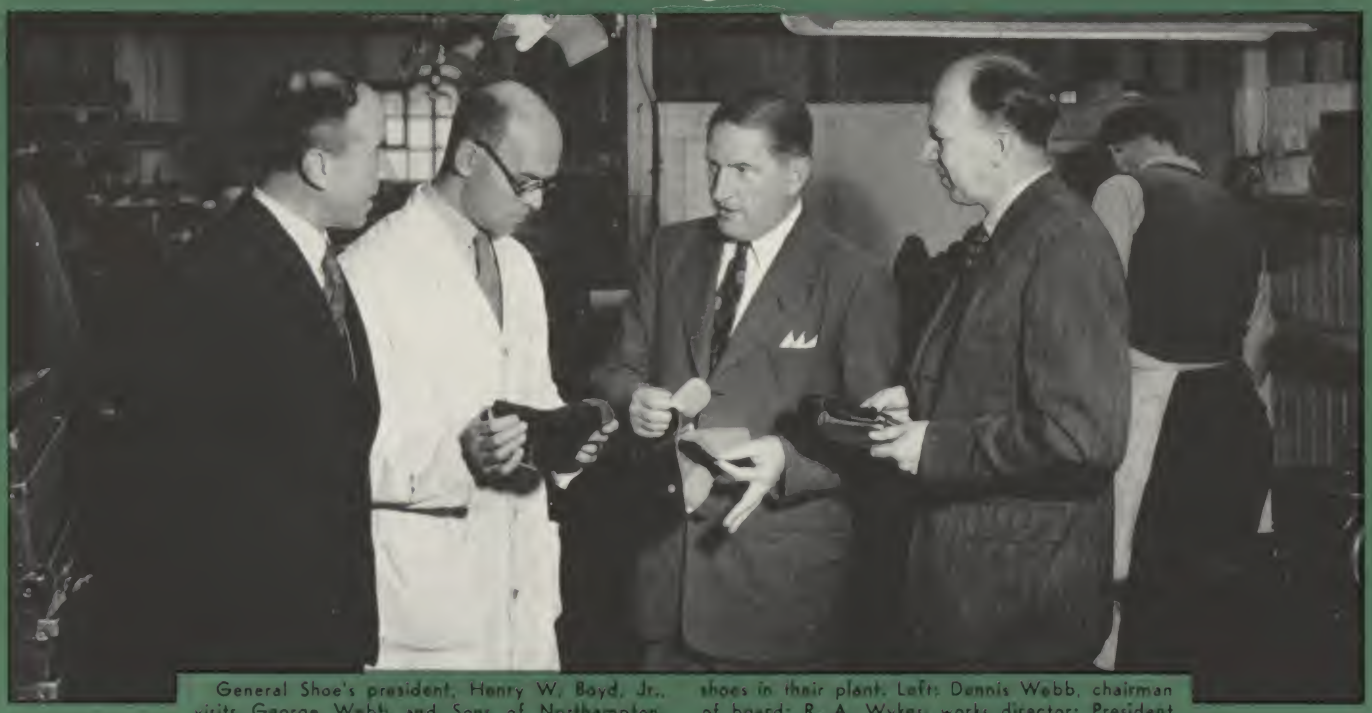
## Australia

← A pretty Australian girl makes Jarman shoes in Melbourne, for the Linley Company.

## India

Chairman Maxey Jarman and Mrs. Jarman visit with Bata Shoe Company officials in Batanagar, India, studying foreign shoe operations. →

# Visiting An English Affiliate



General Shoe's president, Henry W. Boyd, Jr., visits George Webb and Sons of Northampton, England, and inspects the making of our Jarman shoes in their plant. Left: Dennis Webb, chairman of board; R. A. Wykes, works director; President Boyd, and Frank E. Webb, production director.

The manufacture and sale of our brand-name shoes through these foreign concerns grows in importance each year. Reports tell of the steadily increasing popularity of these American "name" shoes, now made available in lands several thousand miles away. Numerous visits have been made between the officials of these companies and our own, in building up very fine trade relations.

All these foreign developments are handled by our Intercontinental Management Associates. In addition to these special manufacturing and distributing operations, our company, through General Shoe Intercontinental Company, has developed an interesting export-import business.

Through it, we sell our shoes and other products in 22 countries. They are Israel, Peru, Iran, Siam, Switzerland, Japan, Dominican Republic, Guam, Costa Rica, Bermuda, Honduras, Mexico, Canada, Philippines, Hong Kong, Curacao and Aruba (Netherlands West Indies,) Panama, Alaska, Haiti, Puerto Rico, Hawaii and Cuba.

We also do some import business with these lands. We import raffia shoes from Trieste, shoes from Israel and leather from Mexico.

## Making and Selling Our Shoes in Japan

← Japanese shoemakers in the Chiyoda plant in Tokyo, an affiliate of General Shoe.

In Nagasaki this retail store was built on the ruins of the American atom bomb. Ask for Jarman shoes there, and you'll find that East meets West in our "Friendliness of Fit." →

# People

## *Our Own and Our Relations With Others*

"A Handbook of Guaranteed Policies, Practices and Procedures" is the sub-title of this employee handbook.
General Shoe's relations with its people are founded upon the conviction that no union, no government, nor any other body can possibly have as much interest in their welfare as General Shoe management.
The company then backs up this position by guaranteeing the policies in a written manual.

Our people have worked well together this past year. This has been no coincidence. Throughout the Company there is good understanding—understanding of mutual objectives, of reasons for them, of ways to reach them that serve the interests of management and non-management people alike.

This sort of understanding has been one of General Shoe's assets since it was founded. Our experience in employee relations work has demonstrated to us that out of soundly conceived objectives and broad understanding of them comes willing effort, teamwork, solid backing where and when it is needed most. Today it may be a quality emphasis, tomorrow costs, another day production. But whatever the job to be done, we have found that real leadership lies in getting individuals to give their best because they want to, rather than because they are forced to.

The Company's desire to create the best conditions of employment includes a broad benefit program. For several years our employees' pay has been above the average of the industry. This earnings' record is another mark of progress towards an important Company aim—a constantly improved standard of living for all General Shoe people.

A PLANT RADIO SHOW

Mama, papa and the children get together for a General Shoe Jamboree—an employee radio show popular in several plant communities.

COMPANY ANNIVERSARIES—Chief Executive Maxey Jarman is host every week to a group of General Shoe men celebrating their anniversaries with the company.

200 MILLIONTH PAIR—It took General Shoe 21 years to make its first 100 million pairs of shoes—but only six years to make the second 100 million, in 1952.

Witnesses to this growth are these men and women who helped turn out the very first pair in 1924.

Among them are Chairman Maxey Jarman and two associate founders of the company, W. H. Wemyss and J. H. Lawson.

THIS MANUFACTURING GROUP gets around the table once a week to settle matters of policy involving shoe manufacturing.

AN ADVISORY BOARD of young executives gives added strength to General Shoe management. They tackle and solve some of the company's toughest problems.

# Public Relations

General Shoe was founded on the principles that make for good public relations. Its founder, the late Mr. J. F. Jarman, had a high concept of it. So has our top management today—and so have General Shoe people everywhere.

General Shoe's Public Relations Department is only one evidence of a belief in the importance of good public relations. Management executives consider public relations principles as a basis for many top-level actions. It is taught as a special subject in our supervisory training courses.

Plant employees are alive to the benefits of good community relations, through open houses, plant-talent radio shows, backing good civic causes. To stay closer to the community, plant employees publish their own newspaper as a part of the town's weekly paper. Individual job importance is told to the community in a series of ad messages. Recently General Shoe's Chairman and the Public Relations Department joined in starting a series of communications to the company's management men and other business leaders, aimed at earning the best public opinion for business leadership. (Copies available for any interested shareowner.)

Our organization chart places public relations on a level of importance with other major functions. The company seeks to back this up, with works, in every plant, office and General Shoe community.

Mayor Impellitteri of New York City holds a gold shoe, with New York shoe executive Saul Schiff just before an award is made to General Shoe Chairman Maxey Jarman (left) as "the outstanding man of the shoe industry for 1952."

General Shoe employees know how to give . . . . money, time, service and blood. Nobody's employees support the Red Cross blood program more generously than ours. This donor has given 37 pints.

"That's the way a good shoe ought to be made", says a General Shoe craftsman to a delegation visiting his plant for Open House—an oft-used tool of good community relations.

STYLE ADVICE VIA TELEVISION

Our Betsy Yeomans serves General Shoe customers and the general public with up-to-the-minute news on what's good in women's shoes and accessories. This is a New York style telecast—Mrs. Yeomans seated, left.

*Share Owners.* Since July, 1939, when our common stock was listed on the New York Stock Exchange, General Shoe share owners have grown to 5,798.

These owners live in every state. The largest number, 1,911, live in Tennessee, since Nashville is our headquarters and 18 of our plants are in 13 communities of the state.

The second largest number, 625, live in Missouri. There are 561 in New York. No person owns as much as 5 per cent of the outstanding shares of our common stock.

The average holding per person is less than 100 shares.

General Shoe has 835 supervisors-executives, and practically all are share owners. Every company director has substantial holdings.

The following record shows the steady growth in earnings, in value and in distribution which our stock has enjoyed year by year. Our 81st consecutive quarterly dividend was paid to share owners on October 31.

Each turn of this wheel in the Quality Control Laboratory equals 120 steps by a man. In such ways we test all materials to give top quality.

## 14 YEAR COMMON STOCK RECORD

| | Earnings Per Share for Year | Year's Dividend | Book Value Per Share | Paid to Stockholders | Year's Price Range | Number Stockholders |
|---|---|---|---|---|---|---|
| *1939 | $1.41 | $1.05 | $10.60 | $ 621,352 | $15½-12½ | 2,495 |
| 1940 | 1.14 | 1.00 | 10.75 | 628,275 | 15⅜-10 | 2,738 |
| 1941 | 1.63 | 0.90 | 11.49 | 564,176 | 11½-8⅛ | 2,768 |
| 1942 | 1.57 | 1.00 | 12.05 | 627,054 | 10-8¼ | 2,857 |
| 1943 | 1.90 | 1.00 | 12.95 | 627,393 | 15⅛-9⅞ | 3,207 |
| 1944 | 1.54 | 1.00 | 13.46 | 627,391 | 19¾-14⅝ | 3,254 |
| 1945 | 1.71 | 1.00 | 14.16 | 627,391 | 31-19 | 3,364 |
| 1946 | 3.76 | 1.60 | 18.74 | 1,088,496 | 47-29 | 3,696 |
| 1947 | 3.34 | 2.50 | 19.62 | 1,762,059 | 36⅞-26 | 3,982 |
| 1948 | 3.45 | 2.50 | 20.61 | 1,762,611 | 31½-25 | 4,201 |
| 1949 | 3.14 | 2.50 | 21.27 | 1,763,393 | 30¼-24 | 4,380 |
| 1950 | 5.04 | 2.50 | 24.79 | 1,777,801 | 39⅝-30⅛ | 5,693 |
| 1951 | 4.50 | 2.50 | 27.11 | 1,863.517 | 39¼-34 | 5,693 |
| 1952 | 4.11 | 2.50 | 29.12 | 1,913,572 | 40-36½ | 5,837 |

*Listed on New York Stock Exchange July, 1939.

# DIRECTORS

## *General Shoe Corporation*

| | Age | Years With General Shoe | Years As Director |
|---|---|---|---|
| William M. Blackie. *General Retail Corp.* | 48 | 24 | 20 |
| Henry W. Boyd, Jr. *President.* | 44 | 21 | 17 |
| Jack R. Braden. *Sales Planning.* | 39 | 19 | 8 |
| Sam A. Buchanan. *Industrial Relations.* | 38 | 17 | 2 |
| Earle T. Bumpous. *Jarman Sales Division.* | 60 | 23 | 17 |
| Candler W. Butler, Sr. *Retired.* | 65 | 16 | 10 |
| H. Nelson Carmichael. *Shoe Manufacturing.* | 40 | 16 | 5 |
| Noble C. Caudill. *Purchasing—Finance.* | 45 | 20 | 10 |
| Charles W. Cook. *Volume Sales.* | 47 | 21 | 8 |
| W. Maxey Jarman. *Chairman.* | 48 | 28 | 27 |
| J. Harlan Lawson. *Manufacturing Staff.* | 63 | 28 | 27 |
| J. Richard McCollum. *General Retail Corp.* | 49 | 17 | 3 |
| George W. Noland. *Family Shoe Sales Division.* | 55 | 20 | 15 |
| Bernard E. Reed. *Shoe Manufacturing.* | 47 | 28 | 3 |
| James P. Saunders. *Supply Manufacturing—Foreign Operations.* | 47 | 21 | 14 |
| Houghton D. Vaughn. *Volume Sales.* | 44 | 22 | 8 |
| William H. Wemyss. *Executive Vice-President.* | 73 | 28 | 27 |
| Matt S. Wigginton. *Wholesale Sales.* | 51 | 10 | 6 |
| Otis C. Williams. *Controller.* | 53 | 18 | 8 |
| E. DeVaughn Woods. *Auditing and Accounting.* | 36 | 15 | 1 |

# OFFICERS

## *General Shoe Corporation*

| | | | |
|---|---|---|---|
| W. Maxey Jarman | *Chairman* | H. Nelson Carmichael | *Vice-President* |
| Henry W. Boyd, Jr. | *President* | Otis C. Williams | *Controller* |
| William H. Wemyss | *Exec. Vice-President* | E. DeVaughn Woods | *Auditor* |
| J. Harlan Lawson | *General Manager* | Candler W. Butler, Jr. | *Asst. Vice-President* |
| William M. Blackie | *Vice-President* | T. Douglas Oxford | *Asst. Treasurer* |
| James P. Saunders | *Vice-Pres. and Sec.* | J. Frank Jarman | *Asst. Treasurer* |
| Noble C. Caudill | *Vice-Pres. and Treas.* | Carl E. Stephens | *Asst. Secretary* |
| Matt S. Wigginton | *Vice-President* | | |

## *General Shoe Sales Corporation*

| | | | |
|---|---|---|---|
| Henry W. Boyd, Jr. | *President* | Ben H. Willingham | *Vice-President* |
| Matt S. Wigginton | *Exec. Vice-President* | Charles W. Cook | *Vice-President* |
| Earle T. Bumpous | *Vice-President* | Charles R. Murphy | *Asst. Vice-President* |
| George W. Noland | *Vice-President* | James W. Byron | *Asst. Vice-President* |
| Houghton D. Vaughn | *Vice-President* | W. Willard Sledge | *Secretary* |
| Jack R. Braden | *Vice-President* | E. DeVaughn Woods | *Treasurer* |

## *General Retail Corporation*

| | | | |
|---|---|---|---|
| William M. Blackie | *President* | Gerald O. Petway | *Vice-President* |
| J. Richard McCollum | *Exec. Vice-President* | Parks C. Runyon | *Vice-President* |
| Billy P. Weisiger | *Vice-President* | William A. Givan | *Secretary* |
| Felix M. Weisiger | *Vice-President* | W. Willard Sledge | *Treasurer* |
| Earl L. Britain | *Vice-President* | John A. Meadors | *Asst. Secretary* |

**TRANSFER AGENTS:** (Common stock) Guaranty Trust Company of New York, New York, and American National Bank, Nashville, Tennessee.
(Preferred stock) Third National Bank, Nashville, Tennessee.
(Preference stock) Guaranty Trust Company of New York, New York.

**REGISTRARS:** (Common stock) Chemical Bank and Trust Company, New York, New York, and Nashville Trust Company, Nashville, Tenn.
(Preferred stock) Third National Bank, Nashville, Tennessee.
(Preference stock) Chemical Bank and Trust Company, New York, New York.

Annual Meeting of Stockholders: March 2, 1953.

## *General Shoe's Administrative Committee*

Its nine members meet at noon every Monday to discuss the top problems of the week.

Clockwise around the table—beginning in foreground with dark-suited member, they are: Sam Buchanan, industrial relations; Henry W. Boyd, Jr., president; H. Nelson Carmichael, shoe manufacturing; William M. Blackie, General Retail Corporation; Maxey Jarman, chairman and chief executive; Matt S. Wigginton, wholesale sales; Noble C. Caudill, purchasing-finance; James P. Saunders, supply manufacturing and foreign operations, and E. DeVaughn Woods, auditing and accounting.